Defense Acquisition Excellence Council (DAEC)

Earned Value Management: The Path Forward

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Outline

- Situation
  - Industry Concerns
  - Government Issues

- The Path Forward

Situation

- Industry assumed "ownership" of EVM in 1996

- Industry expressed concerns in April 2003 letter

- Government discussed industry concerns and government issues at July 2003 meeting

Industry Concerns

- Conflicting or contradictory contractual requirements
- Duplicative management systems reviews
- Unique system surveillance oversight activities
- Proliferation of independent approaches—reminiscent of past atmosphere
  - Not consistent with industry-owned program management EVM systems
  - Incongruent with goal of streamlining acquisition process
- DCMA experience base and resources declining
- Avenues of communication and problem resolution at OSD level have eroded

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Government Issues

- Application/implementation diverse in industry (among and within companies)
  - Industry still developing infrastructure to support "ownership" (interpretative guide, audit credentials, etc.)
  - EVM still being institutionalized as an integral program management tool
  - Varying levels of confidence in reported data
- In some cases, government program managers taking actions as a result of industry's maturity issues

The Path Forward

- Use DAEC as a senior-level forum to continue dialogue and share improvement ideas
- Establish joint government/industry working-level team to assess issues/ concerns and recommend solutions
  - Identify team members – e-mail names and contact information to deborah.tomsic@osd.mil

Back-Up Slides

EVM Then and Now

Pre-1996	**1996-Present**

Pre-1996

- Cost/Schedule Control Systems (C/SCS)

- 35 C/SCS criteria (DoD 5000 policy)

- Government "ownership"

- Financial orientation; viewed primarily as a reporting tool

1996-Present

- Earned Value Management Systems (EVMS)

- 32 EVMS guidelines (ANSI/EIA-748)

- Industry "ownership"

- Program management orientation, i.e., an integrated program management tool

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